GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2695
ANSWERED ON:16.03.2007
FAKE INSURANCE BUSINESS
Rana Shri Kashi Ram

Will the Minister of FINANCE be pleased to state:

(a) whether the 3overn.ment is aware of the ongoing fake insurance business in various parts of the country;

(b) if so, the deta. ls thereof: and

(c) the concrete steps taken/being taken by the Government to check such fake insurance business?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI PAWAN KUMAR BANSAL

(a) & (b): The Insurance Regulatory & Development Authority (KDA) has reported that it was not awai`e of any fake insurance business being conducted in any part of the country. However, out of 2.51 crore policies procured by LIC upto 28.02.2007 in the current financial year, four cases of fraud have been reported where insurance was taken on the life of non-exis.tent persons.

(c): The provisions of the Insurance Regulatory & Development Authority (IRDA) Act, 1999, enable check fake insurance business, which have proved to be effective.